

PAYGO HEADS TO PRESIDENT'S DESK FOR SIGNATURE

Proven Budget Tool, Signature Issue for Herseth Sandlin, Blue Dogs to Become Law

Pay-as-you-go Rules Responsible for Budget Surpluses of 1990s

Washington, DC-Today, the House of Representatives passed legislation requiring Congress to spend within its means, called pay-as-you-go budget rules, or PAYGO. The bill is a signature issue and significant accomplishment for Rep. Herseth Sandlin, a leader of the fiscally responsible Blue Dog Coalition. The bill now heads to the President's desk, and he will sign it into law. PAYGO rules were last in effect during the 1990s and proved very successful in forcing budget discipline, producing a balanced budget and even surpluses.

"As South Dakota's lone member of Congress, today is a very proud day for me," said Rep. Herseth Sandlin. "Forcing Congress to spend within its means has been a priority of mine since the day I arrived in Congress. It has been nothing short of a battle to get it done, but today represents an enormous victory for anyone who cares about our country's fiscal future and the national debt."

Majority Leader Steny Hoyer (D-MD) praised Rep. Herseth Sandlin for unwavering support for fiscally-responsible policymaking and her leadership in reinstating PAYGO, "Congresswoman Herseth Sandlin has been a consistent voice for years, along with the Blue Dogs, on the need to bring our budget back to balance. Thanks to her leadership, we will be one step closer to that goal by passing statutory PAYGO."

Pay-as-you-go is a serious and proven tool to force the federal government to spend within its means by requiring any increases in mandatory spending be offset and budget neutral. Historically, it has also been bipartisan. These common-sense rules were created by a Republican President and a Democratic Congress in 1990, and extended by a Democratic President and a Republican Congress in 1997, the last time that Congress balanced its budget. However, under the previous Administration, these rules were allowed to lapse. With no mechanism for restraint, the deficit exploded, most directly because of massive tax cuts in 2001 and 2003 and the Medicare Part D benefit. Since that time, under both Democratic and Republican Congresses and Administrations, the Blue Dogs have been sounding the alarm on our country's reckless fiscal path and the importance of getting statutory PAYGO back on the books.

Rep. Herseth Sandlin noted that PAYGO is only one step of many necessary to address the country's worsening fiscal situation and more must be done, "We must acknowledge that our fiscal problem is so large, no single tool like PAYGO is going to solve it. We also need to cut spending and to initiate a fiscal commission to provide recommendations on entitlement spending. I'm willing to listen to any good ideas that folks have, from either party, on this issue. If we do not pay for our priorities today, we are merely passing the bill – with interest – to our children and grandchildren."

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